

# House Study Bill 668 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

## A BILL FOR

1 An Act relating to the approval and imposition of the  
2 facilities property tax levy and the equipment replacement  
3 and program sharing property tax levy for a merged area and  
4 including effective date and applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 260C.15, subsection 1, Code 2014, is  
2 amended to read as follows:

3 1. Regular elections held by the merged area for the  
4 election of members of the board of directors as required by  
5 section 260C.11 or for any other matter authorized by law and  
6 designated for election by the board of directors of the merged  
7 area, shall be held on the date of the school election as fixed  
8 by section 277.1. However, elections held for the ~~renewal~~  
9 imposition, rate change, or discontinuance of the twenty and  
10 one-fourth cents per thousand dollars of assessed valuation  
11 levy authorized in section 260C.22 shall be held either on the  
12 date of the school election as fixed by section 277.1 or at a  
13 special election held on the second Tuesday in September of  
14 the even-numbered year. The election notice shall be made a  
15 part of the local school election notice published as provided  
16 in section 49.53 in each local school district where voting is  
17 to occur in the merged area election and the election shall be  
18 conducted by the county commissioner of elections pursuant to  
19 chapters 39 through 53 and section 277.20.

20 Sec. 2. Section 260C.22, subsection 1, paragraphs a and b,  
21 Code 2014, are amended to read as follows:

22 a. In addition to the tax authorized under section 260C.17  
23 and upon resolution of the board of directors, the voters  
24 in a merged area may at the regular school election or at a  
25 special election held on the second Tuesday in September of  
26 the even-numbered year vote a tax not exceeding twenty and  
27 one-fourth cents per thousand dollars of assessed value in any  
28 one year for a period not to exceed ten years, unless otherwise  
29 provided under subsection 2, for the purchase of grounds,  
30 construction of buildings, payment of debts contracted for the  
31 construction of buildings, purchase of buildings and equipment  
32 for buildings, and the acquisition of libraries, for the  
33 purpose of paying costs of utilities, and for the purpose of  
34 maintaining, remodeling, improving, or expanding the community  
35 college of the merged area. If the tax levy is approved under

1 this section, the costs of utilities shall be paid from the  
2 proceeds of the levy. The tax shall be collected by the county  
3 treasurers and remitted to the treasurer of the merged area as  
4 provided in section 331.552, subsection 29. The proceeds of  
5 the tax shall be deposited in a separate and distinct fund to  
6 be known as the voted tax fund, to be paid out upon warrants  
7 drawn by the president and secretary of the board of directors  
8 of the merged area district for the payment of costs incurred  
9 in providing the school facilities for which the tax was voted.

10     **b.** In order to make immediately available to the merged  
11 area the proceeds of the voted tax hereinbefore authorized  
12 to be levied, the board of directors of any such merged area  
13 is hereby authorized, without the necessity for any further  
14 election, to borrow money and enter into loan agreements in  
15 anticipation of the collection of such tax, and such board  
16 shall, by resolution, provide for the levy of an annual  
17 tax, within the limits of the special voted tax hereinbefore  
18 authorized, sufficient to pay the amount of any such loan and  
19 the interest thereon to maturity as the same becomes due. A  
20 certified copy of this resolution shall be filed with the  
21 county auditors of the counties in which such merged area is  
22 located, and the filing thereof shall make it a duty of such  
23 auditors to enter annually this levy for collection until  
24 funds are realized to repay the loan and interest thereon in  
25 full. Said loan ~~must mature within the number of years for~~  
26 ~~which the tax has been voted and~~ shall bear interest at a  
27 rate or rates not exceeding that permitted by chapter 74A.  
28 Any loan agreement entered into pursuant to authority herein  
29 contained shall be in such form as the board of directors shall  
30 by resolution provide and the loan shall be payable as to both  
31 principal and interest from the proceeds of the annual levy of  
32 the voted tax hereinbefore authorized, or so much thereof as  
33 will be sufficient to pay the loan and interest thereon. In  
34 furtherance of the foregoing the board of directors of such  
35 merged area may, with or without notice, negotiate and enter

1 into a loan agreement or agreements with any bank, investment  
2 banker, trust company, insurance company or group thereof,  
3 whereunder the borrowing of the necessary funds may be assured  
4 and consummated. The proceeds of such loan shall be deposited  
5 in a special fund, to be kept separate and apart from all other  
6 funds of the merged area, and shall be paid out upon warrants  
7 drawn by the president and secretary of the board of directors  
8 to pay the cost of acquiring the school facilities for which  
9 the tax was voted.

10 Sec. 3. Section 260C.22, subsections 2 and 3, Code 2014,  
11 are amended by striking the subsections and inserting in lieu  
12 thereof the following:

13 2. Following both approval of the tax at two consecutive  
14 elections under subsection 1 where the question of imposition  
15 of the tax appeared on the ballot and imposition of the tax  
16 for a period of at least twenty consecutive years, the board  
17 of directors of the merged area may, by annual resolution,  
18 continue to impose the voted tax each year at a rate not to  
19 exceed the maximum rate approved at election until the tax is  
20 discontinued or the maximum rate is increased following an  
21 election pursuant to subsection 3. An increase in the maximum  
22 rate of the voted tax, not to exceed the maximum rate specified  
23 in subsection 1, shall be approved at election pursuant to the  
24 requirements of subsection 3.

25 3. A voted tax imposed under this section may be  
26 discontinued, or its maximum rate changed, by petition and  
27 election. Upon receipt of a petition containing the required  
28 number of signatures, the board of directors of a merged area  
29 shall direct the county commissioner of elections responsible  
30 under section 47.2 for conducting elections in the merged area  
31 to submit to the voters of the merged area the question of  
32 whether to discontinue the authority of the board of directors  
33 to impose the voted tax under this section or to change the  
34 maximum rate of the voted tax, whichever is applicable. The  
35 petition must be signed by eligible electors equal in number

1 to not less than twenty-five percent of the votes cast at the  
2 last preceding election in the merged area where the question  
3 of the imposition of the tax appeared on the ballot. The  
4 question shall be submitted at an election held on a date  
5 authorized for an election under subsection 1, paragraph "a".  
6 If a majority of those voting on the question of discontinuance  
7 of the board of director's authority to impose the tax favors  
8 discontinuance, the board shall not impose the tax for any  
9 fiscal year beginning after the date of the election unless  
10 the voted tax is again authorized at election under subsection  
11 1. If a majority of those voting on the question to change the  
12 maximum rate of the voted tax favors the proposed change, the  
13 new maximum rate shall apply to fiscal years beginning after  
14 the date of the election.

15 Sec. 4. Section 260C.22, subsection 4, Code 2014, is amended  
16 by striking the subsection.

17 Sec. 5. Section 260C.28, subsection 3, Code 2014, is amended  
18 to read as follows:

19 3. a. If the board of directors wishes to certify for a  
20 levy under subsection 2, the board shall direct the county  
21 commissioner of elections to submit the question of such  
22 authorization for the board at an election held on a date  
23 specified in section 39.2, subsection 4, paragraph "c". If a  
24 majority of those voting on the question at the election favors  
25 authorization of the board to make such a levy, the board  
26 may certify for a levy as provided under subsection 2 during  
27 each of the ten years following the election, unless otherwise  
28 authorized under paragraph "b". If a majority of those voting  
29 on the question at the election does not favor authorization  
30 of the board to make a levy under subsection 2, the board may  
31 submit the question to the voters again at an election held on  
32 a date specified in section 39.2, subsection 4, paragraph "c".

33 b. Following both approval of the additional tax authorized  
34 under subsection 2 at two consecutive elections under paragraph  
35 "a" where the question of imposition of the tax appeared on

1 the ballot and imposition of the tax for a period of at least  
2 twenty consecutive years, the board of directors of the merged  
3 area may, by annual resolution, continue to impose the tax  
4 each year at a rate not to exceed the maximum rate authorized  
5 under subsection 2, until the tax is discontinued following an  
6 election pursuant to paragraph "c".

7 c. The additional tax authorized under subsection 2 may  
8 be discontinued by petition and election. Upon receipt of a  
9 petition containing the required number of signatures, the  
10 board of directors of a merged area shall direct the county  
11 commissioner of elections responsible under section 47.2 for  
12 conducting elections in the merged area to submit to the voters  
13 of the merged area the question of whether to discontinue the  
14 authority of the board of directors to impose the additional  
15 tax under subsection 2. The petition must be signed by  
16 eligible electors equal in number to not less than twenty-five  
17 percent of the votes cast at the last preceding election in  
18 the merged area where the question of the imposition of the  
19 additional tax appeared on the ballot. The question shall be  
20 submitted at an election held on a date specified in section  
21 39.2, subsection 4, paragraph "c".

22 **Sec. 6. EFFECTIVE UPON ENACTMENT.** This Act, being deemed of  
23 immediate importance, takes effect upon enactment.

24 **Sec. 7. APPLICABILITY.**

25 1. This Act applies to merged area voted taxes under section  
26 260C.22 in effect on the effective date of this Act and merged  
27 area voted taxes approved at election under section 260C.22 on  
28 or after the effective date of this Act.

29 2. This Act applies to merged area taxes under section  
30 260C.28, subsections 2 and 3, in effect on the effective date  
31 of this Act and merged area taxes approved at election under  
32 section 260C.28, subsection 3, on or after the effective date  
33 of this Act.

34 **Sec. 8. LIMITATION ON PERIOD OF TIME FOR VOTED TAX VOIDED**  
35 **— APPLICABILITY.**

1 1. Merged area voted taxes under section 260C.22 in effect  
2 on the effective date of this Act shall remain in effect.  
3 However, if imposition of the tax is authorized by the board of  
4 directors of the merged area under section 260C.22, subsection  
5 2, any limitation on the period of time during which the tax  
6 was authorized to be imposed under section 260C.22, Code 2014,  
7 shall be void and unenforceable.

2. Merged area taxes under section 260C.28, subsection 2, in effect on the effective date of this Act shall remain in effect. However, if imposition of the tax is authorized by the board of directors of the merged area under section 260C.28, subsection 3, paragraph "b", any limitation on the period of time during which the tax was authorized to be imposed under section 260C.28, subsection 3, Code 2014, shall be void and unenforceable.

### EXPLANATION

17           The inclusion of this explanation does not constitute agreement with  
18           the explanation's substance by the members of the general assembly.

19 This bill relates to the approval and imposition of the  
20 facilities property tax levy and the equipment replacement and  
21 program sharing property tax levy for a merged area.

22 Current Code section 260C.22 provides that in addition to a  
23 merged area's property tax levy under Code section 260C.17, the  
24 voters in a merged area may vote a tax levy not exceeding 20 and  
25 one-fourth cents per \$1,000 of assessed value for a period not  
26 to exceed 10 years for the purchase of grounds, construction of  
27 buildings, payment of debts contracted for the construction of  
28 buildings, purchase of buildings and equipment for buildings,  
29 and the acquisition of libraries, for the purpose of paying  
30 costs of utilities, and for the purpose of maintaining,  
31 remodeling, improving, or expanding the community college of  
32 the merged area.

33 Under the bill, following both approval at two consecutive  
34 elections where the question of imposition of the tax was on  
35 the ballot and imposition of the tax for a period of at least 20

1 consecutive years, the board of directors of the merged area  
2 may, by resolution, continue to impose the voted tax each year  
3 at a rate not to exceed the maximum rate approved at election  
4 until the tax is discontinued or its rate changed following  
5 an election initiated by petition. The bill also specifies  
6 that the election to impose the levy under Code section 260C.22  
7 shall be initiated by resolution of the board of directors of  
8 the merged area.

9     The bill provides that upon the receipt of a petition  
10 containing the required number of signatures, the board of  
11 directors of a merged area shall direct the appropriate county  
12 commissioners of elections to submit to the registered voters  
13 of the merged area the question of whether to discontinue the  
14 authority of the board of directors to impose the voted tax or  
15 to change the rate of the tax. The petition must be signed by  
16 eligible electors equal in number to not less than 25 percent  
17 of the number of votes cast at the last preceding election in  
18 the merged area where the question of imposition of the tax  
19 appeared on the ballot.

20     The bill also strikes obsolete provisions of Code section  
21 260C.22 relating to the imposition of the voted tax in specific  
22 years.

23     Current Code section 260C.28 provides that in addition to  
24 a property tax levy of \$0.03 per \$1,000 of assessed value for  
25 equipment replacement, the board of directors of a merged area  
26 may certify for levy at a rate in excess of the \$0.03 per \$1,000  
27 of assessed value, if the excess tax levied does not cause the  
28 total rate certified to exceed a rate of \$0.09 per \$1,000 of  
29 assessed value, and the excess revenue generated is used for  
30 purposes of program sharing between community colleges or for  
31 the purchase of instructional equipment, and the additional  
32 levy is approved at election. The approval at election may be  
33 for a period not to exceed 10 years.

34     Under the bill, following both approval at two consecutive  
35 elections where the question of imposition of the additional



1 tax was on the ballot and imposition of the additional tax  
2 for a period of at least 20 consecutive years, the board of  
3 directors of the merged area may, by resolution, continue  
4 to impose the additional tax each year until the tax is  
5 discontinued following an election initiated by petition.

6 The bill provides that upon the receipt of a petition  
7 containing the required number of signatures, the board of  
8 directors of a merged area shall direct the appropriate county  
9 commissioners of elections to submit to the registered voters  
10 of the merged area the question of whether to discontinue the  
11 authority of the board of directors to impose the additional  
12 tax. The petition must be signed by eligible electors equal  
13 in number to not less than 25 percent of the number of votes  
14 cast at the last preceding election in the merged area where  
15 the question of the imposition of the additional tax appeared  
16 on the ballot.

17 The bill takes effect upon enactment and applies to merged  
18 area taxes in effect on the effective date of the bill  
19 and merged area taxes approved at election on or after the  
20 effective date of the bill.

21 The bill also specifies that merged area taxes under Code  
22 section 260C.22 or Code section 260C.28 in effect on the  
23 effective date of the bill shall remain in effect. However,  
24 if imposition of either tax is authorized by annual resolution  
25 of the board of directors of the merged area, any limitation  
26 on the period of time during which the tax was authorized to be  
27 levied under Code section 260C.22, Code 2014, or Code section  
28 260C.28, Code 2014, shall be void and unenforceable.